

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

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**FISCAL IMPACT STATEMENT**

**LS 6154**

**BILL NUMBER:** HB 1679

**NOTE PREPARED:** Feb 19, 2003

**BILL AMENDED:** Feb 18, 2003

**SUBJECT:** Mechanic's Liens.

**FIRST AUTHOR:** Rep. Brown C

**FIRST SPONSOR:**

**BILL STATUS:** CR Adopted - 1<sup>st</sup> House

**FUNDS AFFECTED:** X GENERAL  
DEDICATED  
FEDERAL

**IMPACT:** State

**Summary of Legislation:** (Amended) This bill provides that a contract to prepare property for Class 2 residential construction may include a no lien provision or stipulation. The bill establishes an interim study committee to study mandatory notice of no lien contracts for residential construction. It provides that the committee consists of eight members of the General Assembly. The bill also requires the committee to issue a final report before November 1, 2003.

**Effective Date:** (Amended) Upon Passage; July 1, 2003.

**Explanation of State Expenditures:** (Revised) This bill establishes an 8-member study committee. The Interim Study Committee on Mechanic's Liens is to operate under the policies governing study committees adopted by the Legislative Council. Legislative Council resolutions in the past have established budgets for interim study committees ranging from \$6,000 to \$9,000 per interim for committees with fewer than 16 members.

The study committee is to study mandatory notice of mechanics liens and no lien contracts. The committee is required to issue a final report by November 1, 2003.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** Legislative Services Agency.

**Local Agencies Affected:**

**Information Sources:**

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